

MEMORANDUM

TO: Community Services Board and Behavioral Health Authority Executive Directors

FROM: James S. Reinhard, M.D.

SUBJECT: Funds for Non-CSA Mandated MH Services for Children and Adolescents

DATE: July 9, 2004

The 2004 General Assembly added \$2,000,000 of new state general funds to the \$4,125,000 already appropriated in previous years for providing mental health services to children and adolescents with serious emotional disturbance and related conditions who are not mandated for services under the Comprehensive Services. The use of these dollars has been the subject of considerable discussion among state and local agencies involved in serving troubled youth and their families, and it is clear that any plans for the allocation and use of these funds must reflect the original intent to support a “system of care” in our communities for these children and adolescents. The Department recognizes the importance of developing the infrastructure necessary to serve the intended population and understands that this investment in resources is an essential and desired outcome that will result in the provision of services to unserved or underserved children and adolescents with serious emotional disturbance and related conditions. We all have a responsibility to invest these funds in a manner that builds bridges with any stakeholders involved with these youth and their families.

As background, Item 334.N of the 2004 Appropriation Act states:

N. Out of this appropriation shall be provided from the general fund \$6,125,000 the first year and \$6,125,000 the second year for mental health services for children and adolescents with serious emotional disturbances and related disorders. The Department of Mental Health, Mental Retardation and Substance Abuse Services shall provide these funds to community services boards through the annual Performance Contract. These funds shall be used exclusively for children and adolescents, not mandated for services under the Comprehensive Services Act for At-Risk Youth, who are identified and assessed through the Family and Assessment Planning Teams and approved by the Community Policy and Management Teams of the localities. The Department shall provide these funds to the community services boards based on an individualized plan of care methodology.

This memorandum provides guidance and information to community services boards (CSBs), including behavioral health authorities, about their use of these new funds and the original \$4,125,000. The Department recognizes the significance of receiving this appropriation in the current budgetary climate and is strongly committed to fully complying with the legislative intent of this appropriation, as expressed in the quoted Appropriation Act language. The Department also supports innovative, creative, and collaborative interagency approaches to serving this population.

The new Office of Child and Family Services in the Division of Community Services will have the

primary leadership role for the Department in all areas related to the use of these funds, in collaboration with the Offices of Grants Management and Community Contracting.

The Department offers the following principles for use of these funds. These principles should be reflected in any CSB policies or procedures for using these funds. Specific guidance related to the new funds and the original funds follows these principles to facilitate the consistent use and management of these funds across the state in FY 2005 and beyond.

Principles for Use of All of These Funds

- These funds must be used to serve children and adolescents with serious emotional disturbances and related disorders who are not mandated to receive services under the Comprehensive Services Act (CSA). Children and adolescents must be under 18 years of age at the time services are initiated.
- Services must be based on the individual needs of the child or adolescent and must be included in an individualized services plan. Services must be child-centered, family focused, and community-based. The participation of families is integral in the planning of these services.
- Referral and access protocols need to assure effective linkages with key stakeholder agencies in the community (e.g., social services, schools, and juvenile justice services and detention centers).
- Services should be provided in the least restrictive and most appropriate settings, including clinics, homes, schools, pre-schools, juvenile detention facilities, group homes, and community centers.
- All available funding sources must be accessed to provide needed services for these children and adolescents. These sources include, but are not limited to, Medicaid, Children's Medical Security Insurance Plan, Family Access to Medical Insurance Security, private insurance, and other federal, state, or local funds. Other federal or state funds include: Promoting Safe & Stable Families funds, mental health federal block grant funds, state mental health general funds earmarked for child and adolescent services, Virginia Juvenile Community Crime Control Act funds, and other state mental health general funds used by CSBs for child and adolescent services.
- The Department will provide these funds to CSBs through the community services performance contract process. The funds are restricted; CSBs must account for and report the receipt and expenditure of these funds separately. CSBs will report on the use of these funds through performance contract reports and the Community Consumer Submission, adhering to the current Core Services Taxonomy 6 descriptions and classifications of services.

Guidance for the Use of the New Funds (\$2,000,000)

The Department will allocate \$50,000 of these new mental health state general funds to each CSB in FY 2005. The Department will distribute these funds in the regular semi-monthly electronic funds transfers, beginning with the July 1 payment. While there is flexibility available in the use of these funds, each CSB must ensure that its local FAPT(s) and CPMT(s) have reviewed and its CPMT(s) accepted its plan to spend these funds. This action will allow each CSB the opportunity to provide clear assurances that the investment in capacity will meet the needs of the community and enhance the system of care. In preparing this plan, each CSB needs to address the following points.

1. The preceding principles are reflected in the plan for these funds.
2. Funds will serve new, currently unserved children and adolescents or provide additional services to underserved children and adolescents.
3. Referral procedures for accessing services supported by funds will be communicated to key local agencies, such as juvenile detention centers, social services departments, and school divisions. The

development of CSB capacity to provide periodic documentation to the Department or the CPMT regarding the source of referrals to services funded with these new dollars is recommended.

4. Local coordination exists between the CSB and the Family Assessment and Planning and Community Policy and Management Teams to ensure identification and assessment of children and adolescents who could be served with these funds and to develop protocols that reduce barriers to serving them. CSBs have the lead responsibility to develop these protocols.
5. CSBs will take all necessary actions to ensure the complete use of their allocations of these funds.

Guidance for the Use of the Existing Funds (\$4,125,000)

The Department will continue to allocate existing funds to each CSB in the same amounts as FY 2004 and disburse these funds in the regular semi-monthly payments. While there is some flexibility available in the use of these funds, each CSB must adhere to the following requirements: the preceding principles are followed in the use of these funds, and CSBs take all necessary actions to ensure the complete use of their allocations of these funds.

The Department allocated the original appropriation by using the Office of Comprehensive Services formula. The Department applied this formula to the \$4,125,000 to identify an amount for each city and county and then added those figures to calculate allocation amounts for each CSB. While this approach has remained consistent across the intervening years, the Department recognizes that there have been some inconsistencies or misunderstandings about how these dollars can be used. The Department has used the CSA formula only to calculate individual CSB allocations. The Department is not authorized to allocate state or federal funds to individual cities and counties; it allocates and disburses funds only to CSBs. While each CSB allocation consists of amounts identified for each city or county, these allocations represent pools of funds that CSBs may use across their service areas to provide services. If a CSB wishes to retain any current funding protocol that reserves or allocates amounts of funds to individual localities, the protocol must contain guidelines for tracking utilization of dollars and re-allocating those funds if expenditure patterns identify projected balances. A CSB can use funds in its allocation to serve any non-mandated child or adolescent in its service area, as long as the preceding requirements are satisfied.

Appropriate Services Supported by These Funds

While CSBs must follow the current Taxonomy 6 categories and subcategories in contracting for and reporting these services, some flexibility exists. Services that are most appropriate for use of these funds include: emergency, local inpatient, outpatient, intensive in-home, therapeutic day treatment, alternative day support (including specialized after school and summer camp, behavior aide, or other wrap-around services), and highly intensive, intensive, and supervised (including therapeutic foster or residential respite care) and family support residential services. Given the population to be served, children and adolescents with serious emotional disturbances, services need to be appropriately intensive and comprehensive. Therefore, prevention and early intervention services are not appropriate uses of these funds.

Please contact Shirley Ricks, Director of the Office of Child and Family Services (804-786-0992) if you have any questions about this memorandum. Thank you for your ongoing support, assistance, and collaboration as we continue jointly to enhance or increase the quality, availability, and responsiveness of community mental health services for Virginia's children and adolescents.

JSR/pfc

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